



## **LANSING SMALL BUSINESS RECOVERY PROGRAM**

### **COVID-19 RESCUE FUND**

#### **Frequently Asked Questions (FAQ)**

<b>PROGRAM DETAILS</b>	<b>1</b>
<b>ELIGIBILITY</b>	<b>2</b>
<b>APPLICATION QUESTIONS</b>	<b>4</b>
<b>AWARDS PROCESS &amp; NEXT STEPS</b>	<b>6</b>

#### **PROGRAM DETAILS**

**1. *Why was the new COVID-19 Rescue Fund created?***

The COVID-19 Rescue Fund was created as an emergency fund to provide immediate financial assistance to city of Lansing small businesses in danger of going out of business. Grants of \$10,000 each are available to qualified Lansing businesses that have been significantly negatively affected and harmed by the COVID-19 pandemic including limits and temporary closures to business operations mandated by Governor Whitmer's Executive Order (EO) No. [2020-20](#) or subsequent EOs and reduced revenues due to other restrictions and auxiliary effects. The COVID-19 Rescue Fund represents the first phase emergency response of the Lansing Small Business Recovery Program (LSBRP) and is meant to be used as working capital to survive the sudden and severe economic impacts in Lansing due to COVID-19.

**2. *What is the amount of funding awardees will receive?***

If awarded, applicant businesses will each receive a \$10,000 grant. A limited number of \$5,000 grant awards may be offered at the discretion of the Rescue Fund Committee.

**3. *What can the funds be used for?***

Grant funds are to be used exclusively for immediate/near-term working capital expenditures. Examples include payroll expenses essential to business viability, rent, mortgage payments, utility expenses, or other expenses that occur in the ordinary course of business.

## **ELIGIBILITY**

### **4. *What are key determinants of eligibility?***

To be eligible, applicant business must meet all of the following eligibility requirements:

1. Eligible businesses must have a brick-and-mortar location physically located in the corporate limits of the City of Lansing.
2. Must be a Lansing-based business with 25 employees or fewer company-wide as of March 1, 2020, both full-time and part-time.
3. Annual business revenue in 2019 was \$1,500,000 or less company-wide.
4. Business must demonstrate income loss *specifically related* to the COVID-19 pandemic or Executive Order (EO) No. [2020-20](#) or subsequent EOs, rather than financial hardship in general.
5. Business must demonstrate need for working capital.
  - Ex. Support payroll expenses essential to business viability, rent, mortgage payments, utility expenses or other similar expenses that occur in the ordinary course of business
6. Business must not have been awarded an MEDC Small Business Relief Fund Grant through the Lansing Economic Area Partnership (LEAP) for any location.
7. Applicant businesses and any person with 20% or greater ownership interest in the business must not have any obligations to the City of Lansing, including any delinquent or late property and income taxes.

### **5. *My business has a “Lansing” address. Does this mean my business is located within the corporate limits of the City of Lansing as described in eligibility criteria #1?***

Not necessarily. Some businesses located outside the city’s corporate limits have a Lansing address. To find out if your business is located within the corporate limits of the City of Lansing, use the City of Lansing Assessor’s property information tool at [this website](#) and type in your business’s address. If your business’s address returns a result, it is located within the corporate limits of the City of Lansing. If there is no result, the business is not located within the corporate limits of the City of Lansing and is not eligible to apply for this award.

### **6. *I live in the City of Lansing and own a business, but the business I own is located outside of the corporate limits of the City of Lansing. Is my business eligible to apply?***

No, your business is not eligible to apply. To be eligible, the business must have a brick-and-mortar location physically located within the corporate limits of the City of Lansing.

### **7. *The deadline to submit 2019 City of Lansing Income Tax filings has been extended to July 31, 2020. If I have yet to file, am I still eligible to apply?***

Yes, you are still eligible to apply if you have yet to submit 2019 City of Lansing Income Tax filings because your business is not out of compliance.

### **8. *Are sole proprietorships or home-based businesses eligible?***

No, sole proprietorships and home-based businesses are not eligible to apply for the award.

**9. *Are single-person LLCs eligible to apply?***

Yes, single-person LLCs are eligible to apply for the award and will be assessed by the same criteria as all other applicants. Please see #26 for information on how to calculate employees for your business, including independent contractors, as this may apply.

**10. *Are franchise-owned businesses eligible?***

Yes, locally owned and operated franchise businesses are eligible to apply for the award and will be assessed by the same criteria as all other applicants.

**11. *Are nonprofits eligible?***

No, nonprofits are not eligible to apply for this award. A nonprofit may be eligible to apply for other grant or loan funds, including the Community Foundation's \$1 million COVID-19 Nonprofit Support Fund.

**12. *Are businesses with multiple locations eligible? If my business has multiple locations, do I need to submit a separate application for each?***

Yes, businesses with multiple locations are eligible to apply for the award. A separate application must be submitted for each brick-and-mortar location within the corporate limits of the City of Lansing. The applicant must use company-wide metrics during the application process (i.e. total number of employees, financial data, etc.) for eligibility determination and review purposes. The applicant must specify in the application which brick-and-mortar location the requested grant funds will be exclusively deployed at.

**13. *My business is open and operating or has not been temporarily restricted by a COVID-19 Executive Order. Is my business eligible to apply?***

Open and operating businesses are eligible to apply but will be assessed by the same criteria as all other applicants, which includes demonstrating "economic distress" specifically related to the COVID-19 pandemic.

**14. *Are businesses that received other local, state, federal, or private financial aid in response to COVID-19 eligible?***

Businesses which were awarded an MEDC Small Business Relief Grant through LEAP are not eligible for this award. Businesses which received other forms of aid are eligible. Applicants must disclose all forms of local, state, federal, and private financial aid sought and/or received when prompted in the application.

**15. *I applied unsuccessfully for the MEDC Small Business Relief Grant through LEAP. Is my business eligible to apply?***

Yes, if you applied for but did not receive an MEDC Small Business Relief Grant your business may be eligible to apply for the Rescue Fund Award.

**16. *My business has multiple locations and I was awarded an MEDC Small Business Relief Grant for just one location through LEAP. Am I eligible to apply for my other business locations within the City of Lansing?***

If your business was awarded an MEDC Small Business Relief Grant for any location, within or outside of the corporate limits of the City of Lansing, your business is not eligible to apply for the COVID-19 Rescue Fund.

**APPLICATION**

**17. *Where would an interested small business owner go to apply?***

Applications can be submitted at [www.lansingmi.gov/smallbusiness](http://www.lansingmi.gov/smallbusiness). Only applications submitted through the online form will be accepted.

**18. *How extensive will the application be?***

The purpose of this program is to provide financial relief to businesses affected by the COVID-19 pandemic and related Executive Orders. Thus, we have designed the application to not be burdensome, with the large majority of requested information expected to be readily known or accessible to most business owners.

**19. *Will I be able to edit my application after I submit it?***

No, once submitted you will not be able to edit your application. We recommend reading through the application questions and planning your responses prior to going through the online application.

If multiple applications are submitted for the same business and location, only the most recent application submission will be considered. However, please limit resubmissions as much as possible to allow applications to be processed quickly.

**20. *Will hard copy applications be accepted?***

No. In order to ensure timely application consideration and fund disbursement, only online applications will be accepted. No paper forms or additional attachments will be considered unless requested by the Rescue Fund Committee.

**21. *Will there be a defined application period? When will applications be due?***

Yes, the award application will be open Monday, April 13<sup>th</sup> through 11:59 PM on Thursday, April 16<sup>th</sup>. No applications will be accepted after 11:59 PM on Thursday, April 16<sup>th</sup>.

**22. *Will applications be considered on a first-come, first-served basis?***

No, all applications received within the application period will be considered equally based on the criteria described in the *Rescue Fund Summary & Criteria* document, available online at [www.lansingmi.gov/smallbusiness](http://www.lansingmi.gov/smallbusiness)

**23. *Can my unsuccessful MEDC Small Business Relief Grant application be repurposed as my application for the COVID-19 Rescue Fund Award?***

The COVID-19 Rescue Fund Award application maintains many of the same elements as the LEAP/MEDC application, however the Rescue Fund is City of Lansing focused. Unsuccessful applications for the MEDC Small Business Relief Grant submitted to LEAP cannot be repurposed for this application because the eligibility, scoring criteria, and application questions for the Rescue Fund are different than those of the regional LEAP program.

However, businesses that applied unsuccessfully to the MEDC Small Business Relief Grant and meet all eligibility criteria described in #4 are encouraged to apply for a COVID-19 Rescue Fund award. Because the applications are so similar and businesses should have a copy of their LEAP application responses, it should be a quick and easy process for businesses that applied for the MEDC funds to apply for the COVID-19 Rescue Fund.

We recommend reading questions carefully, as key details within the text such as dates and locations may have been altered from the LEAP application for the COVID-19 Rescue Fund application.

**24. *An application question in the Business Information section refers to Women Business Enterprise (WBE) and Minority Business Enterprise (MBE). How do I know if my business is a WBE or MBE?***

In order to be considered a Minority or Woman Business Enterprise (MBE or WBE), a company must be owned (at least 51% interest in profits and losses by a minority or a woman), operated (participation in the daily management and operation of the company) and controlled (minority person or women must have and actually exercise authority to independently make significant decisions on behalf of the company) by a minority or woman or group of such persons. If your business meets this definition, it is a WBE or MBE.

**25. *Several application questions in the Economic Distress section refer to revenue. If my business has rental income, does this need to be included in the revenue I report?***

Yes, applicant must include all business revenue including rental income.

**26. *Several application questions in the Economic Distress section refer to Full-Time Equivalent (FTE) employees. What is an FTE employee? How can I tell how many FTE employees my business has?***

“FTE employee” stands for “full-time equivalent employee.” Applicants must calculate the number of FTE employees their business employs, which takes into consideration both full and part time employees.

Full-time employees are those who worked on average 30 hours or more a week for more than 120 days in a year – or the number of employees you expect to work these hours. Part-time employees are those who worked on average less than 30 hours per week, but more than 120

days per year. If the total number of hours worked isn't a whole number, round it down to the nearest whole number. Full time employees each equal 1 FTE employee and multiple part time employees may "add up" to FTE employees, as described in the example below:

For example, one individual working an average of 30 hours per week for more than 120 days in a year equals 1 FTE. Two individuals each working an average of 15 hours per week for more than 120 days in a year also equals 1 FTE.

Independent contractors or "1099" contractors are not considered direct employees of the business under this program and cannot be counted towards the calculation of FTEs.

If the total number of FTE employees your business employees isn't a whole number, round it down to the nearest whole number in your application.

***27. Are independent contractors or "1099" contractors considered employees in the application?***

No. Independent contractors or "1099" contractors are not considered direct employees of the business under this program and cannot be counted towards the calculation of FTEs.

***28. A question in the Strategic Location section asks applicants to identify if their business is located in a high impact area. How do I know which location category my business falls into?***

This question allows applicants to self-identify which kind of area their business falls into. Please select the choice you feel most accurately describes your business's location.

## **AWARDS PROCESS & NEXT STEPS**

***29. How will any conflict of interest be addressed in the consideration of grant applicants?***

The review committee will acknowledge all actual or perceived conflicts of interest and will not be scoring any businesses for which a conflict could exist.

***30. Will all applicants receive notification of their application status, regardless of if they are awarded or not?***

Yes, all applicants will be notified of grant selections the week of April 27<sup>th</sup>, 2020 by email using the address included in the application.

***31. When will successful applicant businesses be notified and what is expected from them in order to receive grant funds?***

Selected applicants are required to complete the following steps in order to receive funding:

- Awarded businesses will be required to submit an updated W9 form and bank account information within 24 hours of award notification in order to expedite fund processing.
- Awarded businesses must complete and submit a Treasury Information Form to verify the applicant is not delinquent or late on any property taxes owed to the City of Lansing and

- that the applicant is not delinquent or late on any corporate or other business income taxes owed to the City of Lansing
- Awarded businesses will be required to enter into an Award Agreement that dictates the terms of the award and simple reporting obligations, such as use of funds and business operation updates for a period of 12 months

***32. Where can I find additional resources my business may be eligible for?***

Additional resources can be found at [www.lansingmi.gov/smallbusiness](http://www.lansingmi.gov/smallbusiness)